

IX. REEMPLOYMENT OF ANNUITANTS

191. May an annuitant be employed outside the Federal Government?

Yes.

192. Would employment outside the Federal Government have any effect on annuity payments?

As a general rule, outside employment will have no effect on the annuity payments or the annuitant's right to receive them. However, it may affect the rights of certain disability annuitants.

193. How could outside employment affect a disability annuitant?

For a disability annuitant who is under age 60, work in an outside position may indicate recovery from his disability or, if his income from wages or self-employment is sufficient, restoration of earning capacity. Either of these would affect his right to annuity as explained in questions 124 to 130.

194. May an annuitant be reemployed in the Federal Government?

Yes. He may be reemployed in any position for which he is qualified.

195. Should an annuitant notify the Civil Service Commission if he is reemployed in the Federal Government?

He should tell the agency in which he is reemployed that he is an annuitant. The agency must, in appropriate cases, notify the Commission when the annuitant is reemployed and when he is separated.

196. What effect will reemployment in the Federal Government have on annuity payments?

That depends on several things:

(a) If the annuitant's retirement was based on an involuntary separation (except for age retirement) which

was not due to any fault of his own, his annuity will be either discontinued or withheld from his pay—

(1) If the reemployment is under the retirement system, his annuity will be discontinued from the date he is reemployed and his future retirement rights will depend on the law in effect at the time he is separated from the reemployment.

(2) If his reemployment is not under the retirement system, his annuity payments will continue without interruption but his pay during reemployment will be reduced by the amount of annuity he receives.

(b) If the annuitant was retired for disability and is found, before reaching age 60, to be recovered or restored to earning capacity, his annuity will be discontinued from the date he is reemployed.

(1) If his reemployment is under the retirement system, his future retirement rights will depend on the law in effect at the time he is separated from the reemployment.

(2) If his reemployment is not under the retirement system and the reemployment ceases within the 1-year termination period applicable upon recovery or restoration (see questions 124 and 125), annuity will be resumed the day after reemployment ceases but only for the balance of the 1-year period.

(c) If (1) the annuitant's retirement was based on a voluntary separation or on an involuntary separation for cause, (2) the annuitant was retired for age, (3) he was a

disability annuitant reemployed after reaching age 60, or (4) he was a disability annuitant not found recovered or restored to earning capacity and temporarily reemployed before reaching age 60, his annuity will continue without interruption but his pay during reemployment will be reduced by the amount of annuity he receives.

197. If an annuitant continues to receive monthly annuity payments during reemployment, are these payments charged against the deductions and interest to his credit in the retirement fund?

Yes, with one exception; if he completes at least the 1 year of continuous full-time employment necessary to qualify for supplemental annuity, the amount to his credit in the fund is not reduced by total annuity paid during reemployment.

198. Under what conditions would a reemployed annuitant be eligible for a supplemental annuity?

When an annuitant as described in question 196(c) is separated from reemployment, he would be eligible for a supplemental annuity if his final period of reemployment consisted of at least 1 year of continuous full-time service. (Reemployment service under another retirement system for Federal or District of Columbia Government employees and service in a few particular positions—the President and certain U.S. judges—are not qualifying for this purpose.)

199. How is the supplemental annuity computed?

By applying part (b) or part (c), or both, of the general formula, depending on the annuitant's total length of service, to the period of his full-time reemployment (see question 172). The following example illustrates which parts of the general formula are to be used. The example assumes that 3 years was the period of full-time reemployment.

If the annuitant's original retirement was based on 6 years of service, only part (b) of the formula would be used because his total

service was less than 10 years. If this original retirement was based on 10 or more years of service, only part (c) of the formula would be used because this part applies to all service over 10 years. If his original retirement was based on 8 years of service both parts (b) and (c) would be used; part (b) would be applied to 2 years of the reemployment period because it was between 5 and 10 years of total service, and part (c) would be applied to the remaining year of reemployment service because, when considered as a part of his total service, it was over 10 years.

200. What average pay is used in computing the supplemental annuity under the general formula?

The full rates of basic pay in effect during all periods of full-time reemployment, with each rate weighted by the time it was in effect, are used to figure the average pay. The "high-3" average pay is not used.

201. Are the full rates of basic pay in effect during the reemployment used to figure the average pay?

Yes, even though the reemployed annuitant was not paid at the full rates because his basic pay during the reemployment was reduced by the amount of his annuity.

202. Is all reemployed service, including the unused sick leave, used in computing the supplemental annuity?

If the annuitant completes the required 1 year of continuous full-time service, all prior periods of full-time reemployment, including periods shorter than 1 year and the time represented by the unused sick leave to the annuitant's credit, are added together and the total years and months are used in computing the supplemental annuity.

203. Must the supplemental annuity as computed under the general formula be reduced for any reason?

It must be reduced by 10 percent of the amount due as deposit to cover the reemployment service, during which no retirement deductions are made from

pay, unless the deductions, which may be made, have been separated. Also, if age 55 the service may be reduced to 135 and 137.

204. May a spouse be used in computing annuity?

Yes. The supplemental annuity is used to provide the spouse unless the annuity is used to provide the spouse. The spouse will receive the supplemental annuity of this 10

206. What kind of annuity is there?

There are two kinds:
(a) A survivor annuity payable in full.
(b) A lump sum payable only once.

207. To whom is the annuity payable?

Under certain conditions, the annuity may be payable to the spouse, widow, or child of a deceased annuitant. It may also be payable to a person having an interest in the annuity who was named in the annuity contract.

208. What conditions must be met for the spouse to receive the annuity?

(a) The employee must have

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pay, unless the annuitant deposits these deductions, with interest. This deposit may be made only after the annuitant has been separated from the reemployment. Also, if the annuitant is under age 55 the supplemental annuity must be reduced as explained in questions 135 and 137.

204. May a supplemental annuity be used to increase the survivor annuity?

Yes. The supplemental annuity of a re-employed annuitant whose reemployment terminates after January 8, 1971, is used to provide additional annuity to the spouse entitled to a survivor annuity, unless the annuitant elects in writing not to provide this additional annuity to his spouse. The supplemental annuity in such a case is reduced by 10 percent, and the spouse will receive 55 percent of the supplemental annuity before application of this 10 percent reduction.

205. Can an annuitant have his annuity rights completely redetermined upon separation from reemployment?

If an annuitant as described in question 196(c) completes at least 5 years of continuous full-time service and qualifies for supplemental annuity, he may elect to have his annuity rights redetermined under the law in effect at the time he is separated from reemployment. Deposit to cover the reemployment service is mandatory for annuity redetermination. Also, the time represented by his unused sick leave is included in the recomputation. (Note that annuitants described in questions 196 (a) (1) and 196 (b) (1) cease being annuitants upon reemployment. The regular 7-percent retirement deductions are taken from their salaries and their future retirement rights depend entirely on the law in effect at the time of future separation.)

X. DEATH BENEFITS

206. What kind of death benefits are there?

There are two kinds:

- (a) A survivor annuity benefit which is payable in monthly installments.
- (b) A lump sum benefit which is paid only once.

207. To whom is a survivor annuity payable?

Under certain conditions, a survivor annuity may be payable to the surviving spouse, widow or widower, and children of a deceased employee or deceased annuitant. It may also be payable to a person having an insurable interest and who was named by an employee at time of retirement.

208. What conditions must exist for the spouse of a deceased annuitant to receive a survivor annuity benefit?

- (a) The employee at time of retirement must have accepted a reduced an-

nuity with survivor benefit to his spouse and the spouse to receive this survivor annuity must be married to the retired employee at time of his death.

- (b) If the spouse at time of retirement dies before the retired employee or the marriage is otherwise dissolved, and the retired employee remarries, the spouse acquired after retirement is eligible to receive the same survivor benefit as the spouse at time of retirement would have been eligible for, provided the spouse acquired after retirement is married to the retired employee for at least 2 years before the retiree's death or, if married less than 2 years, is the parent of a child born of the marriage.

- (c) If the employee is unmarried at time of retirement and later remarries, he may, within one year after his marriage, elect a reduced an-